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Previous ISSUE Released at 11:30 AM (CANBERRA TIME) 27/01/2009

Summary

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Feature Articles

South Australian Household Final Consumption Expenditure



Demography

Includes: **Estimated resident population, Components of population change**

South Australia's population increased 1.1% during the year ended 30 June 2008.



Labour Force

Includes: **Contents, Employed persons, Unemployment, Participation rate**

South Australia's unemployment rate remained constant at 5.4% in December 2008.



Incomes

Includes: **Average weekly earnings**

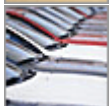
Average weekly earnings for South Australian males increased 5.0% in the year to August 2008, while female earnings increased 3.3%.



State Accounts

Includes: **State accounts, Household final consumption expenditure (HFCE)**

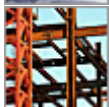
South Australia's State Final Demand increased by 1.0% in the September quarter 2008.



Consumption

Includes: **Retail trade, New motor vehicle sales**

New vehicle sales in South Australia declined for the tenth consecutive month in December 2008.



Investment

Includes: **Private new capital expenditure, Mineral and petroleum exploration expenditure**

South Australia's Private New Capital Expenditure increased by 2.7% to \$1,363m in the September 2008 quarter.



Construction

Includes: **Building approvals, Construction work done**

The total number of dwelling units approved in South Australia decreased by 3.9% from October 2008 to November 2008.



Price Indexes

Includes: **Contents, Consumer price index, Wage price index, House price index**

The house price index for Adelaide rose 9.7% in the year to the September quarter 2008.



Housing Finance

Includes: **Housing finance commitments**

Total value of housing finance commitments (owner occupier) for South Australia in November 2008 was \$855m.



International Merchandise Trade

Includes: **Exports and Imports**

The value of South Australia's merchandise exports was \$815m in November 2008 (down 8.4% from October 2008).



Water

Includes: **Rainfall, Reservoir levels**

Total water storage in Adelaide's reservoirs was at 73% of capacity at the end of December 2008.

In this issue

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FORTHCOMING ISSUES

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February 2009
March 2009
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Release Date

27 February 2009
31 March 2009
28 April 2009
26 May 2009

WHAT'S NEW THIS MONTH

Topics which have been updated with new data in this month's issue of **SA Stats** include: Consumption; Construction; Labour Force; International Merchandise Trade; Housing Finance and Water.

This month's **SA Stats** includes a new article on South Australian Household Final Consumption Expenditure. This article investigates how South Australians adjusted their household expenditure during a recent period of rising petrol prices.

INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or James Inglis on Adelaide (08) 8237 7405, or email sa.statistics@abs.gov.au.

Feature Articles



FEATURE ARTICLES

Jan 2009	South Australian Household Final Consumption Expenditure
2008	
Dec 2008	Energy Consumption in South Australia
Nov 2008	Adelaide's Population Turnover
Oct 2008	Contributors to Adelaide's Price Rises
Sep 2008	<u>Adelaide's Suburbs of Advantage and Disadvantage</u>
Aug 2008	South Australia's Agriculture Industry
July 2008	<u>New Dwelling Approvals in South Australia</u>
May 2008	<u>Literacy of South Australians</u>

April 2008	<u>South Australia's Migrant Population</u> <u>South Australia's Ageing Population and the Labour Force</u>
Feb 2008	<u>South Australia's Mining Industry</u> <u>Water Supply in South Australia</u>
Jan 2008	<u>Labour Force Underutilisation and the Underemployed in South Australia</u> <u>Water Use in Agriculture - A South Australian Perspective</u>
2007	
Nov 2007	<u>Sports Attendance in South Australia</u> <u>Recorded Crime - Victims, South Australia, 2006</u>
Oct 2007	<u>Attendance at Cultural Venues and Events by South Australians</u>
Aug 2007	<u>Children's Participation in Cultural and Leisure Activities - South Australia, 2006</u>
Jul 2007	<u>South Australia's big picture: Census highlights the changes in South Australian society</u> <u>Participation in Sports and Physical Recreation Activities - South Australia</u>
May 2007	<u>Health of South Australians - Body Mass</u> <u>Household Use of the Internet in South Australia</u>
Apr 2007	<u>Employment in the Retail Trade Industry in South Australia</u> <u>River Murray - South Australia</u>
Mar 2007	<u>Household Waste Management in South Australia</u>
Feb 2007	<u>Births - South Australia</u>
Jan 2007	<u>Gross Domestic Product and Gross State Product</u>
2006	
Dec 2006	<u>Rainfall in South Australia, South Australian Reservoirs, Water Consumption</u>
Nov 2006	<u>Health of South Australians - Health related actions</u>
Oct 2006	<u>National Regional Profile - New Release, New Features</u>
Sep 2006	<u>Fuel Production and Consumption, Greenhouse Gas Emissions, Land Use Change and Forestry</u>
Aug 2006	<u>Health of South Australians - Health Risk Behaviours</u> <u>The South Australian Grape Industry</u>
Jul 2006	<u>Use of IT By Australian Businesses</u> <u>Household use of the Internet in South Australia</u>
May 2006	<u>Health of South Australians - Health Status</u>
Apr 2006	<u>International Trade in Services</u> <u>International Students in South Australia</u>
Feb 2006	<u>Labour Force and Other Characteristics of Migrants in South Australia</u>
Jan 2006	<u>Survey of work in selected Culture & Leisure Activities</u>
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Nov 2005	<u>Household Income in South Australia</u> <u>Household Expenditure in South Australia</u>
Oct 2005	<u>SA Business and Innovation</u> <u>Recent History of Population change in South Australia, 1993-94 to 2003-04</u>
Aug 2005	<u>Average Weekly Earnings</u> <u>Transition from School</u>

Demography



DEMOGRAPHY

ESTIMATED RESIDENT POPULATION

The estimated resident population (ERP) for South Australia was 1,601,800 at 30 June 2008, an increase of about 17,600 persons (1.1%) since 30 June 2007. Nationally, the ERP was 21,374,000 at 30 June 2008, an increase of about 359,000 persons (1.7%) since 30 June 2007.

ESTIMATED RESIDENT POPULATION, Preliminary data

	Population at end June quarter 2008 '000	Change over previous year '000	Change over previous year %
New South Wales	6 967.2	79.2	1.1
Victoria	5 297.6	92.7	1.8
Queensland	4 279.4	98.0	2.3
South Australia	1 601.8	17.6	1.1
Western Australia	2 163.2	57.1	2.7
Tasmania	498.2	4.8	1.0
Northern Territory	219.9	5.0	2.3
Australian Capital Territory	344.2	4.5	1.3
Australia(a)	21 374.0	359.0	1.7

(a) Includes Other Territories comprising Jervis Bay Territory, Christmas Island and the Cocos (Keeling) Islands.
Source: Australian Demographic Statistics (cat. no. 3101.0).

In 2006-07, the South Australian Statistical Division (SD) with the largest increase in ERP was Outer Adelaide (2.0%) followed by Adelaide (1.1%).

ESTIMATED RESIDENT POPULATION, By Statistical Division, South Australia(a)

	2006		2007	
	Population at 30 June '000	Change over previous year %	Population at 30 June '000	Change over previous year %
Adelaide	1 146.1	1.0	1 158.3	1.1
Outer Adelaide	128.9	2.4	131.5	2.0
Yorke and Lower North	45.6	0.9	46.0	0.9
Murray Lands	69.5	0.5	69.8	0.4
South East	64.6	0.7	65.0	0.5
Eyre	34.8	0.4	34.9	0.4
Northern	78.7	-0.2	79.2	0.6
South Australia	1 568.2	1.0	1 584.5	1.0

(a) Estimates for 2007 are preliminary.
Source: Regional Population Growth, Australia 2006-07 (cat. no. 3218.0)

[Map of South Australia's Statistical Divisions\(PDF 2.44MB\)](#)

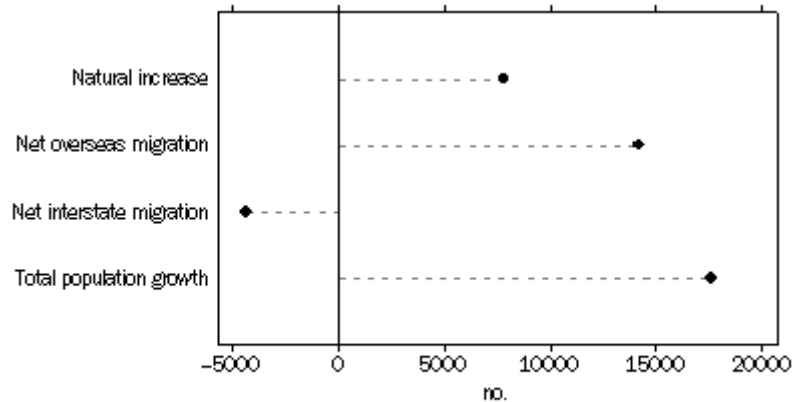
COMPONENTS OF POPULATION CHANGE

For the year ended 30 June 2008, South Australia recorded a natural increase (i.e. the net

of births and deaths) of 7,793 persons. Net overseas migration provided a gain of 14,186 persons in the same period while net interstate migration realised a loss of 4,335 persons.

For the year ended 30 June 2008, Australia recorded a natural increase in population of 145,495 persons; net overseas migration resulted in a gain of 213,461 people.

POPULATION GROWTH, South Australia - Year ended June 2008



Source: Australian Demographic Statistics (cat. no. 3101.0)

Labour Force



LABOUR FORCE

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[Employed persons](#)

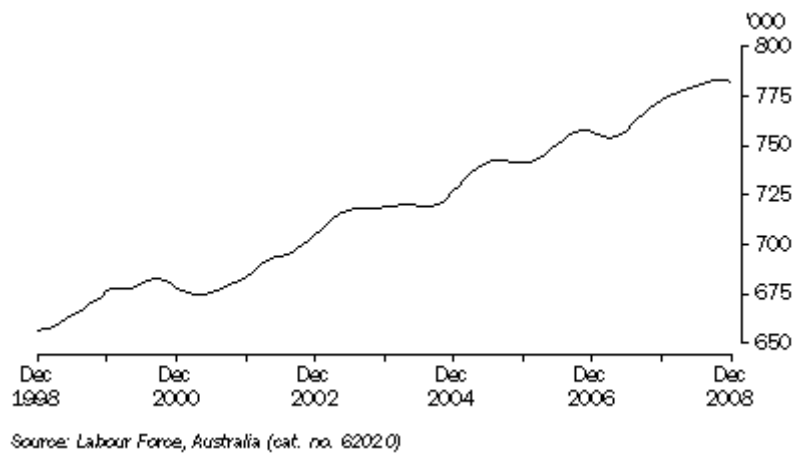
[Unemployment](#)

[Participation rate](#)

EMPLOYED PERSONS

In trend terms, the total number of persons employed in South Australia in December 2008 was 782,000, a decrease of 800 from the number of persons employed in November 2008 (782,800). The total number of persons employed in Australia in December 2008 was 10,749,400, an increase of 2,000 on the number employed in November 2008 (10,747,400).

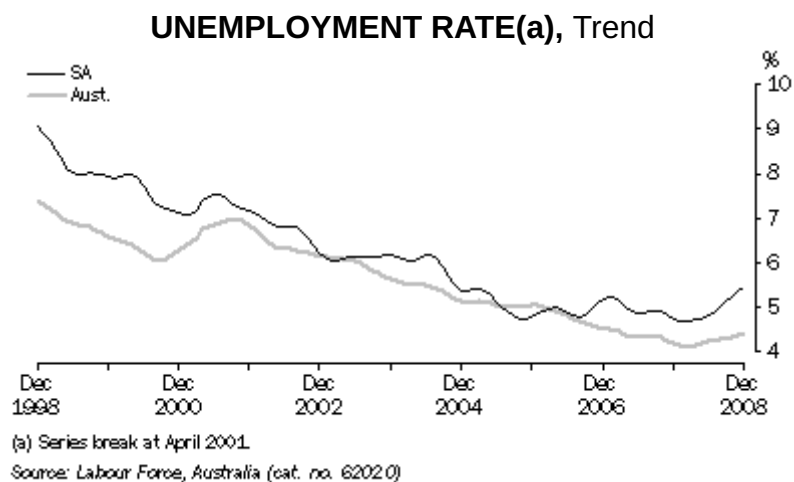
EMPLOYED PERSONS, Trend, South Australia



The number of males employed full-time in South Australia in December 2008 was 363,700 (in trend terms), an increase from 363,500 in November 2008. The number of females employed full-time in South Australia in December 2008 was 173,100 (in trend terms), a decrease from 174,600 in November 2008.

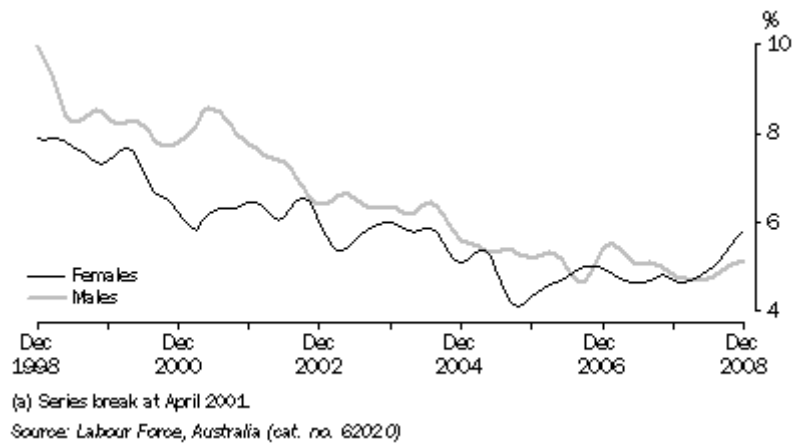
UNEMPLOYMENT

The trend estimate unemployment rate for South Australia remained constant from November 2008 to December 2008 at 5.4%. Australia's unemployment rate also remained unchanged from November 2008 to December 2008 at 4.4%.



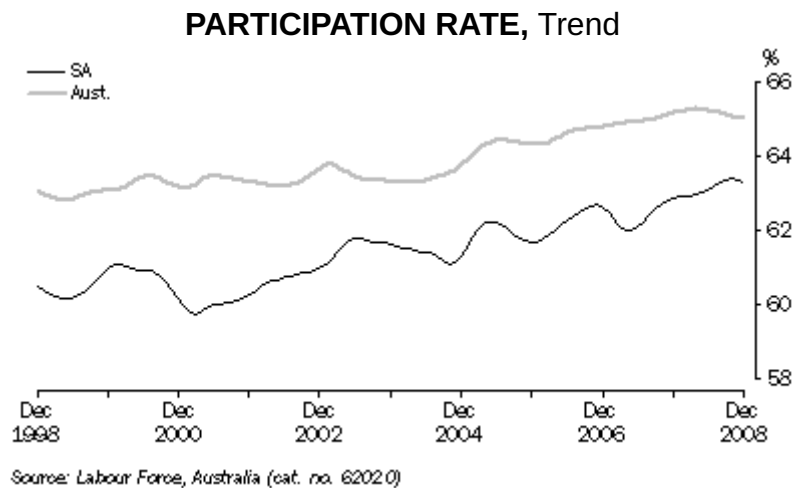
For South Australia, the trend unemployment rate for males remained constant from November 2008 to December 2008 at 5.1%. The trend unemployment rate for females in South Australia rose slightly from 5.7% in November 2008 to 5.8% in December 2008.

UNEMPLOYMENT RATE(a), Trend, South Australia



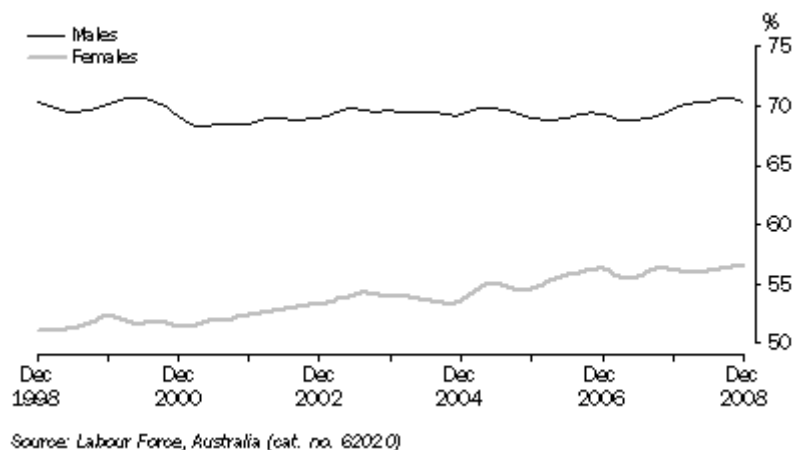
PARTICIPATION RATE

The trend estimate of the participation rate for South Australia in December 2008 was 63.3%, down slightly from 63.4% in November 2008. Australia's trend participation rate also decreased slightly from 65.1% in November 2008 to 65.0% in December 2008.



For South Australia, the trend participation rate for males dropped slightly from 70.5% in November 2008 to 70.4% in December 2008. The Australian participation rate for males also decreased slightly from 72.2% in November 2008 to 72.1% in December 2008. The participation rate for South Australian females remained constant from November 2008 to December 2008 at 56.5%. The Australian female participation rate decreased slightly over this period from 58.2% in November 2008 to 58.1% in December 2008.

PARTICIPATION RATE, Trend, South Australia



Incomes



INCOMES

AVERAGE WEEKLY EARNINGS

The trend estimate of average weekly (ordinary time) earnings for full-time adult persons in South Australia increased by 4.3% to \$1,067.60 in the 12 months to August 2008. Nationally, the corresponding increase was slightly higher at 4.5% (up to \$1,145.10).

In the 12 months to August 2008, average weekly earnings in South Australia for males increased by 5.0% to \$1,126.60. Nationally, male average weekly earnings increased 4.9% to \$1220.60. Female average weekly earnings in South Australia increased by 3.3% to \$958.70 in the 12 months to August 2008, compared with a national increase of 4.4% to \$1017.20.

FULL-TIME ADULT ORDINARY TIME EARNINGS, Trend, South Australia



For information on the wage price index, please refer to the '[Price Indexes](#)' topic.

State Accounts



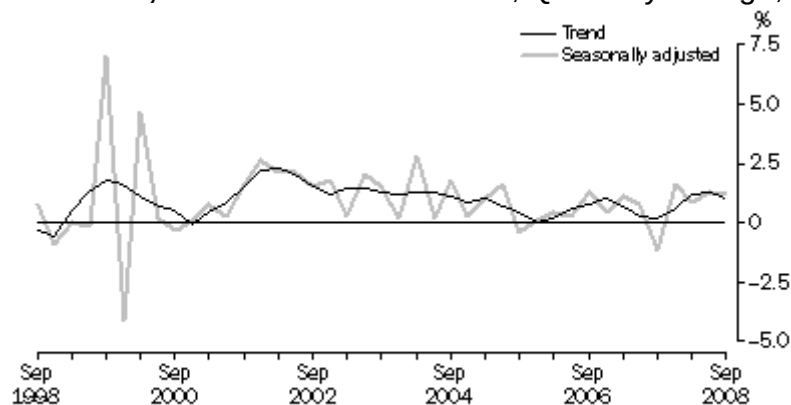
STATE ACCOUNTS

STATE ACCOUNTS

South Australia's September quarter 2008 State Final Demand in chain volume (trend) terms was \$18,737m, a 1.0% increase from the June quarter 2008. Australia's Domestic Final Demand increased 0.7% in the September quarter 2008, to \$284,293m.

Of the other states and territories, the strongest growth for the quarter was reported in the Northern Territory (up 2.8%) followed by Western Australia (up 2.1%).

STATE FINAL DEMAND, Chain volume measures, Quarterly change, South Australia

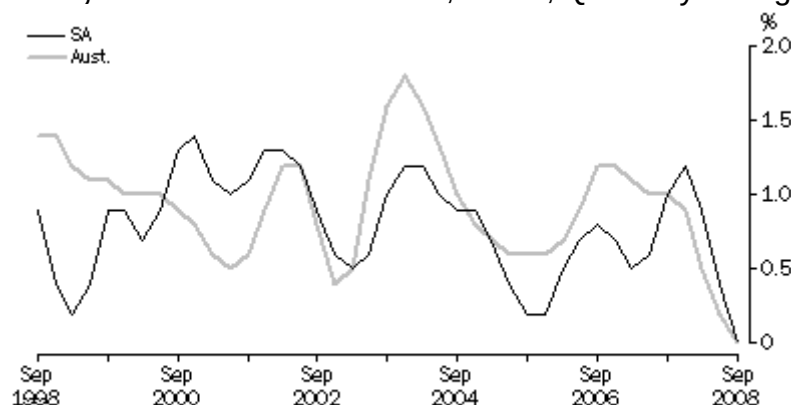


Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

HOUSEHOLD FINAL CONSUMPTION EXPENDITURE (HFCE)

In chain volume (trend) terms, South Australia's September quarter 2008 HFCE was \$10,838m (7.1% of the national total of \$152,462m). The value of HFCE was unchanged from the June quarter 2008 for South Australia. For Australia, HFCE was virtually unchanged from the June quarter 2008.

HFCE, Chain volume measures, Trend, Quarterly change

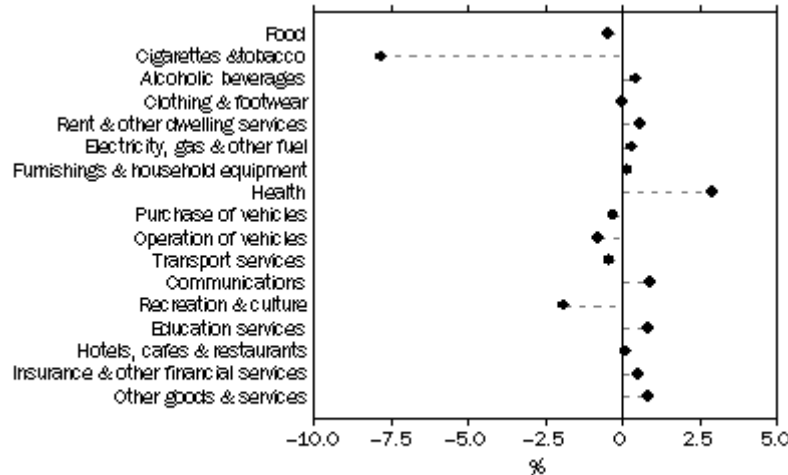


Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

The largest increases in expenditure in South Australia for the September quarter 2008 were for Health (up 2.9% from the June quarter 2008), and Communications (up 0.9%). Expenditure on Cigarettes and tobacco decreased by 7.8% over this period.

For Australia, the largest increase was for Alcoholic beverages (up 0.9% from the June quarter 2008) followed by Insurance and other financial services (up 0.8%) and Health (up 0.7%). Expenditure on Purchase of vehicles decreased 3.6% from the June quarter 2008.

HFCE, Chain volume measures, Trend, Quarterly change, SA - Sep Qtr 2008



Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

Consumption



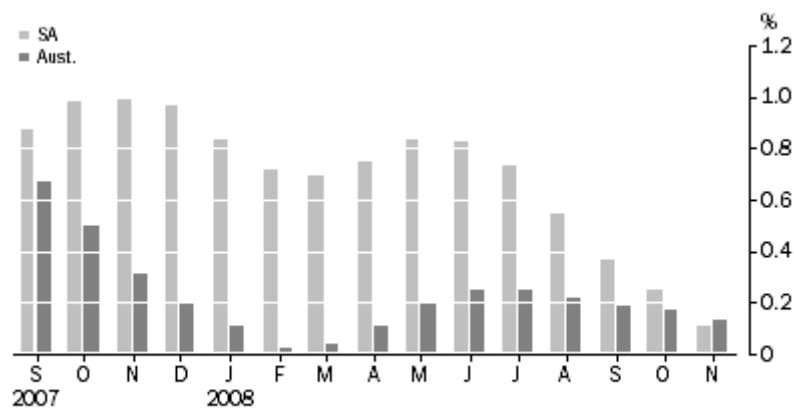
CONSUMPTION

RETAIL TRADE

The November 2008 trend estimate for South Australia's retail turnover was \$1,340.4m, while the estimate for Australia was \$18,423.1m. South Australia's contribution to total retail turnover in Australia in November 2008 remained unchanged at 7.3%.

From October 2008, the increase in retail turnover for South Australia across all retail industries was 0.1%, while turnover for Australia also grew by 0.1%.

RETAIL TURNOVER AT CURRENT PRICES, Trend, Change from previous month

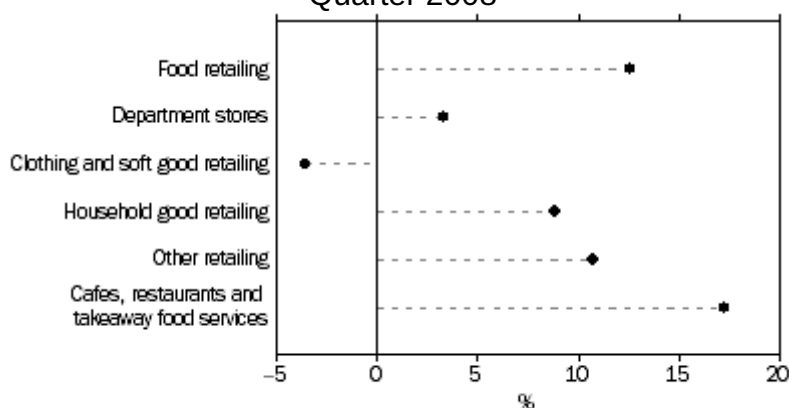


Source: Retail Trade Trends, Australia (cat. no. 8501.0)

Comparing the September quarter 2008 with the September quarter 2007, the two South Australian industry groups with the largest percentage increases in retail turnover (in trend terms) were Cafes, restaurants and takeaway food services, rising by 17.2% to \$445.1m, and Food retailing, rising by 12.6% to \$1,720.7m.

The only South Australian industry group to report a decrease in retail turnover was Clothing and soft good retailing, which decreased by 3.5% to \$187.6m.

RETAIL TURNOVER, Trend, Change over previous year, South Australia - September Quarter 2008



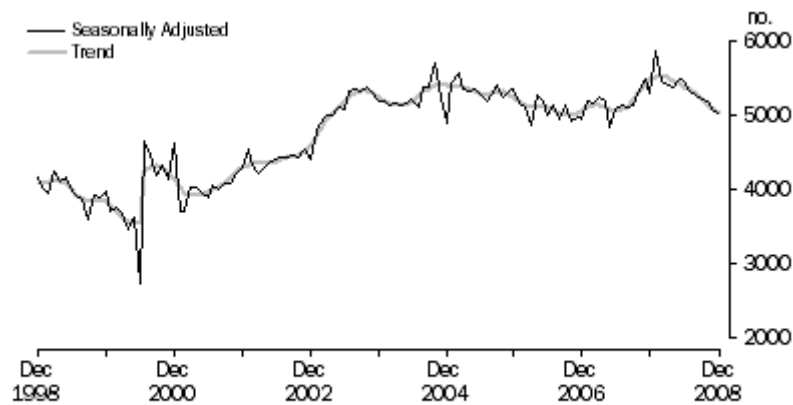
Source: Retail Trade Quarterly Indicators, Australia (cat. no. 8502.0)

NEW MOTOR VEHICLE SALES

In December 2008, 3,047 new passenger vehicles and 5,044 new vehicles in total (in trend terms) were sold in South Australia. The trend estimate for total new vehicle sales in South Australia has continually decreased since February 2008.

In Australia, 44,910 new passenger vehicles and 76,319 new vehicles in total (in trend terms) were sold in December 2008. The trend estimate for total new vehicle sales in Australia has continually decreased since December 2007.

NEW MOTOR VEHICLE SALES, South Australia



Investment



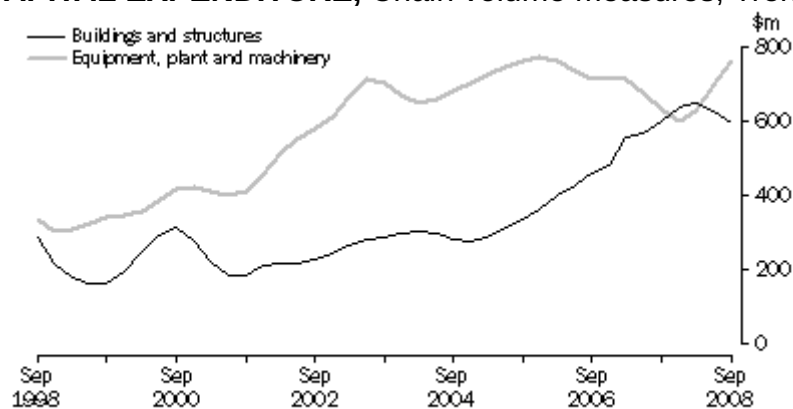
INVESTMENT

PRIVATE NEW CAPITAL EXPENDITURE

Between the June 2008 and September 2008 quarters, the South Australian chain volume (trend) estimate of private new capital expenditure increased by 2.7% to \$1,363m. Expenditure on Equipment, plant and machinery increased by \$69m (or 9.9%) to \$766m, while expenditure on Buildings and structures decreased by \$33m (or 5.2%) to \$597m.

Between the June 2008 and September 2008 quarters, private new capital expenditure for Australia increased by 2.9% to \$23,377m. Expenditure on Equipment, plants and machinery increased by 2.4%, while Buildings and structures expenditure increased by 3.1% over this period.

PRIVATE NEW CAPITAL EXPENDITURE, Chain volume measures, Trend, South Australia



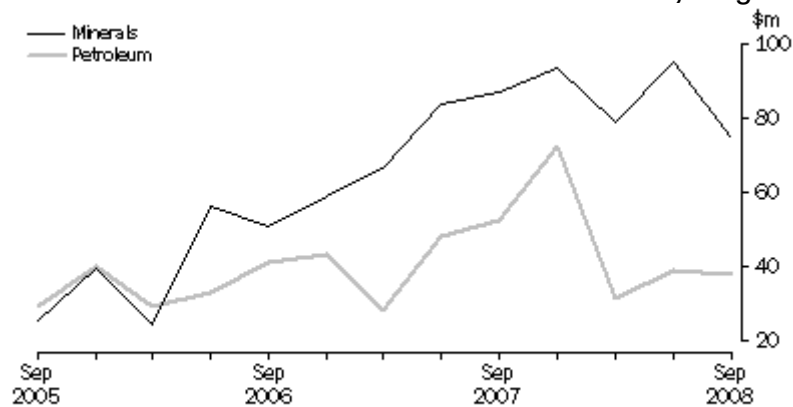
MINERAL AND PETROLEUM EXPLORATION EXPENDITURE

The value of mineral exploration expenditure in South Australia during the September quarter 2008 was \$75.0m (in original terms), down 21.2% from \$95.2m for the June quarter 2008. Over the same period, Australian expenditure on mineral exploration decreased by 5.5% from \$728.1m in the June quarter 2008 to \$687.7m in the September quarter 2008.

The main minerals sought in South Australia in the September quarter 2008 were copper (\$28.5m exploration expenditure), uranium (\$22.4m), and gold (\$13.6m).

Expenditure on petroleum exploration in South Australia in the September quarter 2008 was \$37.9m, down 3.5% from the June quarter 2008. Nationally, expenditure on petroleum exploration decreased 8.9% from \$857.2m in the June quarter 2008 to \$781.3m in the September quarter 2008.

MINERAL AND PETROLEUM EXPLORATION EXPENDITURE, Original, South Australia



Source: Mineral and Petroleum Exploration, Australia (cat. no. 8412.0)

Construction



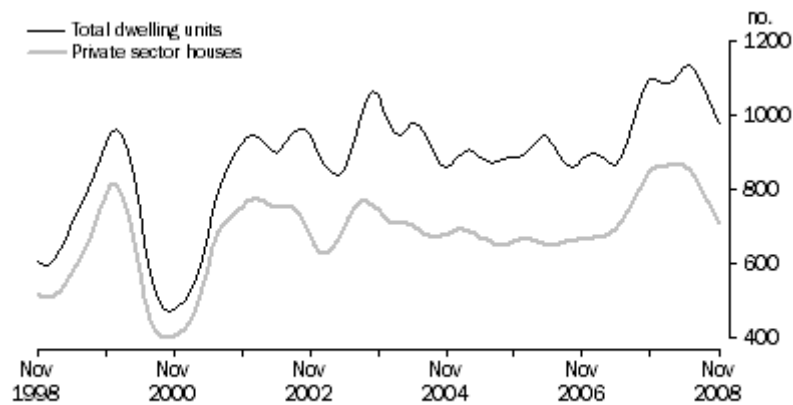
CONSTRUCTION

BUILDING APPROVALS

In November 2008, the total number of dwelling units approved in South Australia (in trend terms) fell 3.9% to 972. Nationally, the total number of dwelling units approved (in trend terms) fell 4.2% to 10,307.

The trend estimate for the number of private sector houses approved in South Australia in November 2008 fell 3.9% to 712. This was the seventh consecutive monthly fall.

DWELLING UNITS APPROVED, Trend, South Australia



Source: Building Approvals, Australia (cat. no. 8731.0)

In the year ended November 2008, the largest percentage increase in dwelling units approved in South Australia was recorded for the South East Statistical Division (SD) (40.2%). This follows a 5.0% fall in the number of dwelling units approved in the South East SD in the year ending November 2007. The Murray Lands SD recorded the largest percentage decrease in dwelling units approved in the year ended November 2008 (down 23.5%), following a 41.2% increase during the year ended November 2007.

DWELLING UNITS APPROVED, by Statistical Division (SD), Original, South Australia

	Year ended November 2007		Year ended November 2008	
	Dwelling units	Change over previous year	Dwelling units	Change over previous year
	no.	%	no.	%
Adelaide	8 040	2.4	8 613	7.1
Outer Adelaide	1 547	-2.9	1 740	12.5
Yorke and Lower North	526	2.7	597	13.5
Murray Lands	668	41.2	511	-23.5
South East	378	-5.0	530	40.2
Eyre	254	2.0	325	28.0
Northern	469	30.6	508	8.3
South Australia	11 882	3.9	12 824	7.9

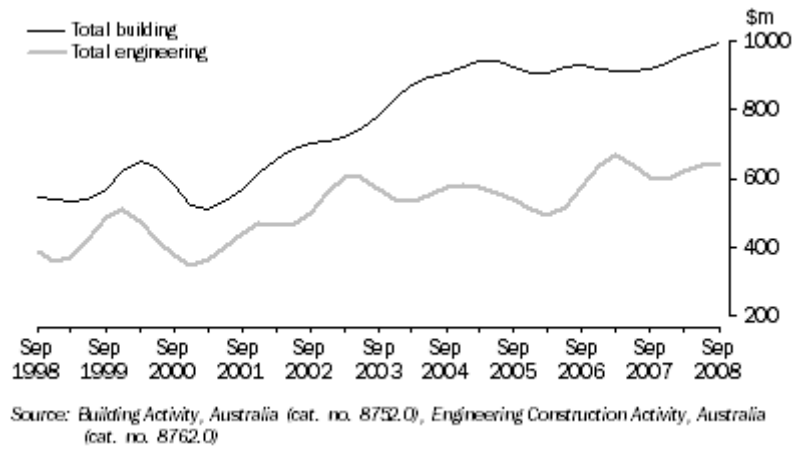
Source: Building Approvals, Australia - data available on request

[Map of South Australia's Statistical Divisions \(PDF 2.44MB\)](#)

CONSTRUCTION WORK DONE

In the September quarter 2008, the total value of building work done (in trend terms) in South Australia was \$997.6m, an increase of 1.8% from \$980.1m for the June quarter 2008. The total value of engineering work done in the September quarter 2008 was \$646.0m, an increase of 1.1% from the June quarter 2008 (\$639.3m).

VALUE OF CONSTRUCTION WORK DONE, Chain volume measures, Trend, South Australia



Price Indexes



PRICE INDEXES

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[Consumer price index](#)

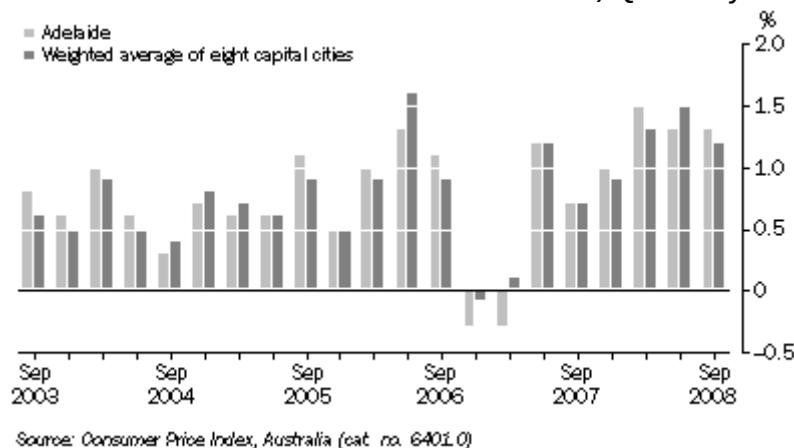
[Wage price index](#)

[House price index](#)

CONSUMER PRICE INDEX

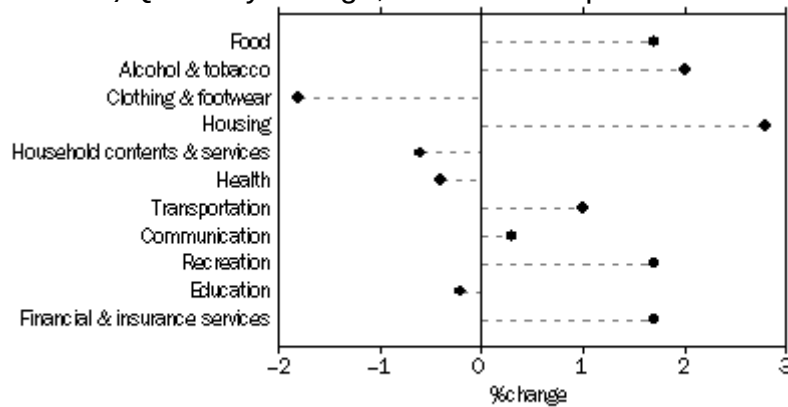
The all groups consumer price index (CPI) for Adelaide rose 1.3% in the September quarter 2008 while the weighted average of the eight capital cities rose by 1.2% in that quarter. Adelaide's CPI increased by 5.1% in the year ending September quarter 2008, compared with a 5.0% rise in the weighted average of the eight capital cities.

CONSUMER PRICE INDEX - ALL GROUPS, Quarterly change



Adelaide's largest percentage increases in prices from the previous quarter were in the areas of Housing (2.8%), Alcohol and tobacco (2.0%), Food (1.7%), Recreation (1.7%) and Financial and insurance services (1.7%). The largest decreases in prices from the previous quarter were for Clothing and footwear (-1.8%) and Household contents and services (-0.6%).

CPI GROUPS, Quarterly change, Adelaide - September 2008 quarter

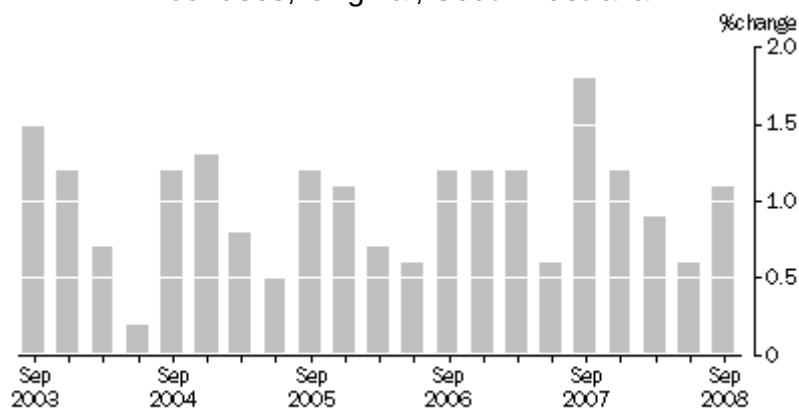


Source: Consumer Price Index, Australia (cat. no. 6401.0)

WAGE PRICE INDEX

The wage price index for all employee jobs in South Australia increased by 1.1% (in original terms) from the June quarter 2008 to the September quarter 2008. This was less than the increase nationally (1.2%) over this period.

WAGE PRICE INDEX QUARTERLY CHANGES, Total hourly rates of pay excluding bonuses, Original, South Australia



Source: Labour Price Index, Australia (cat. no. 6345.0)

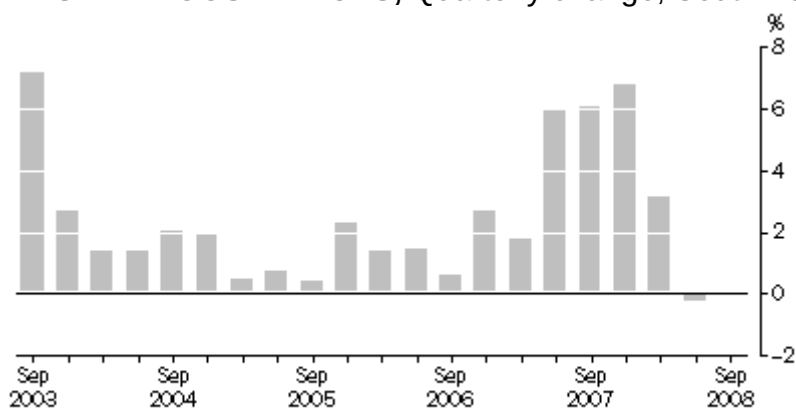
HOUSE PRICE INDEX

Preliminary estimates show that the price index for established houses for Adelaide (in original terms) decreased 0.1% in the September quarter 2008. Over this period, the price index for the weighted average of the eight capital cities decreased by 1.8%.

Over the year to the September quarter 2008, the preliminary estimates show the price index for established houses for Adelaide rose 9.7%, while the weighted average of the

eight capital cities increased 2.8%. House prices increased faster in Adelaide than in any other capital city over the year to the September quarter 2008.

ESTABLISHED HOUSE PRICES, Quarterly change, South Australia



Source: House Price Indexes: Eight Capital Cities (cat. no. 6416.0)

Housing Finance

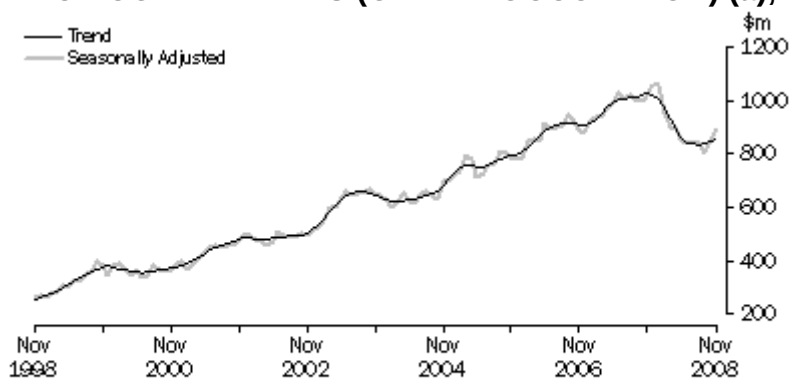


HOUSING FINANCE

HOUSING FINANCE COMMITMENTS

In trend terms, the total value of housing finance commitments (owner occupation) in South Australia in November 2008 was \$855m, an increase of 1.1% from \$845m in October 2008. Nationally, the value of housing finance commitments for owner occupation grew by 0.4% from \$12,189m in October 2008 to \$12,237m in November 2008.

HOUSING FINANCE COMMITMENTS (OWNER OCCUPATION) (a), South Australia



(a) Excludes alterations and additions. Includes refinancing.

Source: Housing Finance, Australia (cat. no. 5809.0)

In November 2008, the average home loan size for owner occupied dwellings in South Australia was \$208,300, which was significantly lower than the average home loan size for Australia (\$254,000). Over the past year, there has been some growth in the average loan size for owner occupied dwellings in South Australia; the average loan size in November

2008 (\$208,300) was 8.8% higher than that of November 2007 (\$191,400).

In November 2008, the average loan size for first home buyers in South Australia was \$228,600, which was 12.4% higher than the average loan size for non-first home buyers (\$203,300). From October 2008 to November 2008, the average loan size for first home buyers increased by 1.7%, while the average loan size for non-first home buyers decreased by 1.9%.

HOUSING FINANCE COMMITMENTS (OWNER OCCUPATION) (a), Average loan size, Original, South Australia



(a) Excludes alterations and additions. Includes refinancing.

Source: Housing Finance, Australia (cat. no. 5809.0)

For information on the house price index, please refer to the '[Price Indexes](#)' topic.

International Merchandise Trade



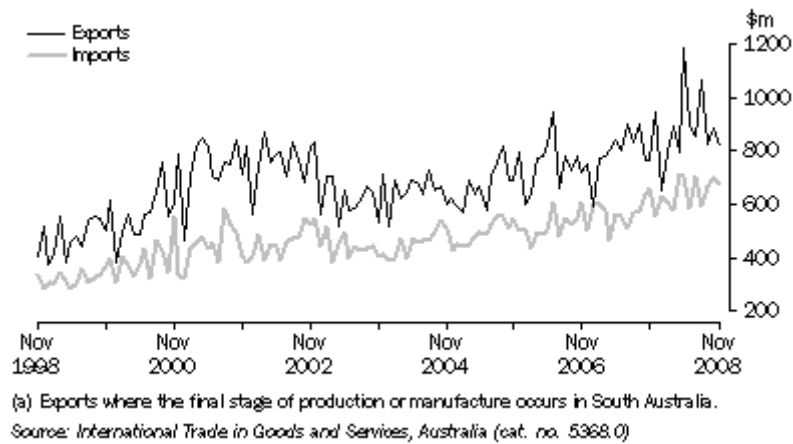
INTERNATIONAL MERCHANDISE TRADE

EXPORTS AND IMPORTS

South Australia's value of exports on a recorded trade basis in November 2008 was \$815m. This represents a decrease of 8.4% from October 2008 (\$890m) but an increase of 6.7% from November 2007 (\$764m). The value of Australian merchandise exports for November 2008 was \$22,270m, a 58.2% increase from the previous year (\$14,081m in November 2007).

The value of South Australian merchandise imports increased to \$678m in November 2008 from \$663m in November 2007, an increase of 2.3%. The value of Australian merchandise imports for November 2008 was \$20,916m, a 19.9% increase from November 2007 (\$17,440m).

VALUE OF INTERNATIONAL MERCHANDISE EXPORTS AND IMPORTS (a), on a recorded trade basis, South Australia



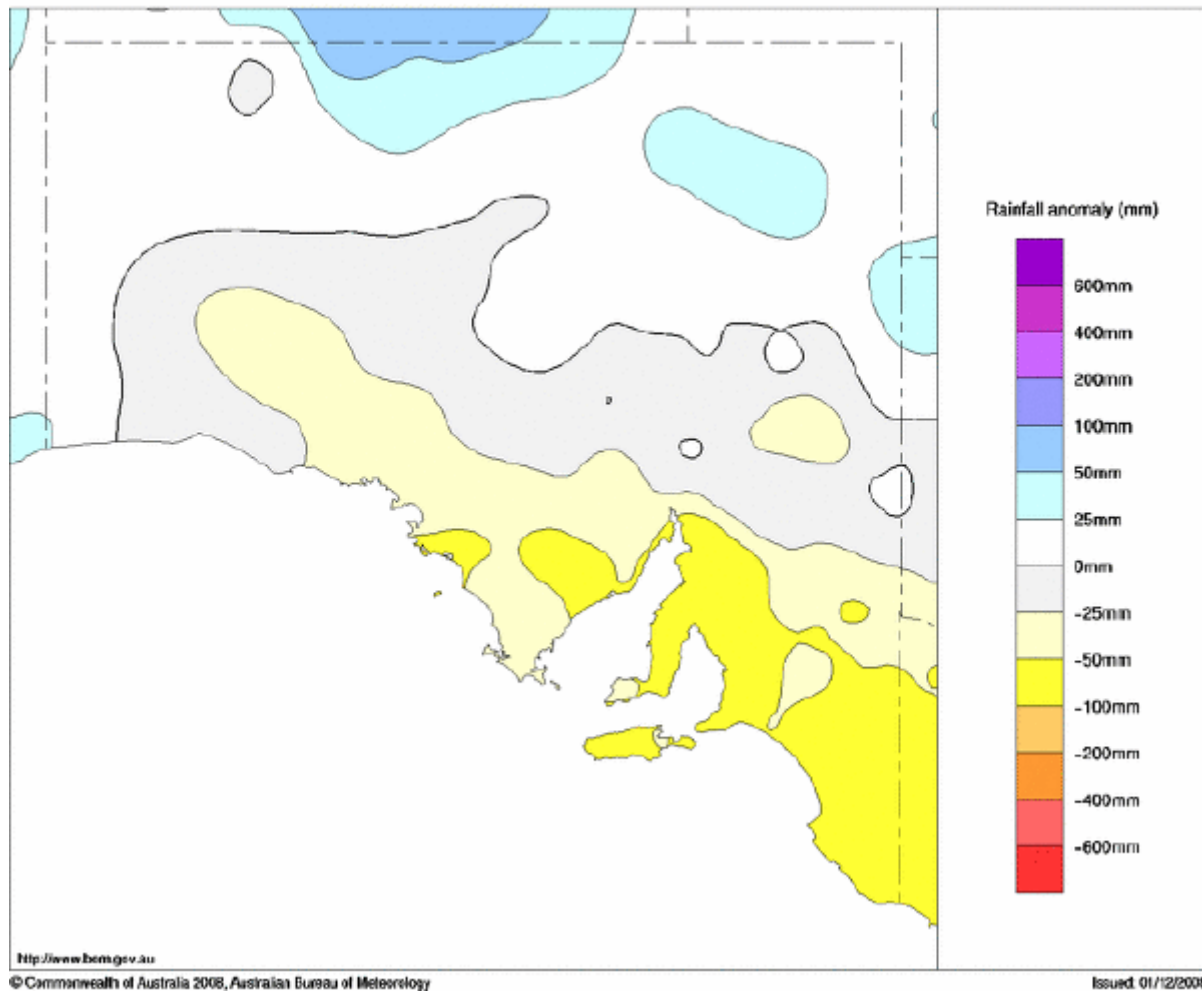
Water



WATER

RAINFALL

Spring rainfall totals over South Australia were mostly below average, apart from the north of the state and some coastal locations. September and October generally saw very much below average rainfall across most of the state, with a return to near average conditions in November. Several locations had the lowest Spring rainfall on record, with most of the agricultural areas seeing Spring rainfall in the lowest 10% of those on record, though rainfall was above average in the pastoral areas.

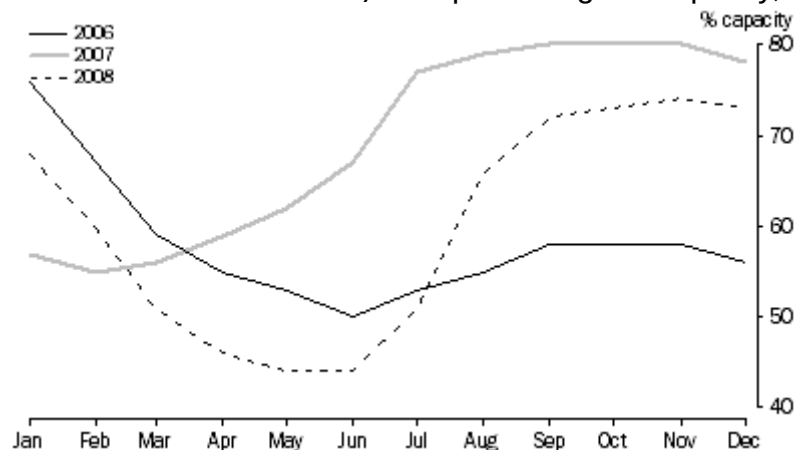


Source: 3-monthly rainfall anomalies for South Australia, Australian Bureau of Meteorology.

RESERVOIR LEVELS

The total water storage in Adelaide's reservoirs at the end of December 2008 was 73% of capacity, compared to 78% at the same time in 2007.

TOTAL RESERVOIR STORAGE, As a percentage of capacity, Adelaide



Source: SA Water daily reservoir levels

About this Release

SA Stats provides an overview of the South Australian population and economy. The publication is updated on a monthly basis, with most releases also featuring an article that provides a South Australian focus on economic, social and environmental issues.

Explanatory Notes are not included in SA Stats in the form found in other Australian Bureau of Statistics (ABS) publications. Readers are directed to the Explanatory Notes contained in related ABS publications.

South Australian Household Final Consumption Expenditure (Feature Article)

FEATURE ARTICLE: SOUTH AUSTRALIAN HOUSEHOLD FINAL CONSUMPTION EXPENDITURE

INTRODUCTION

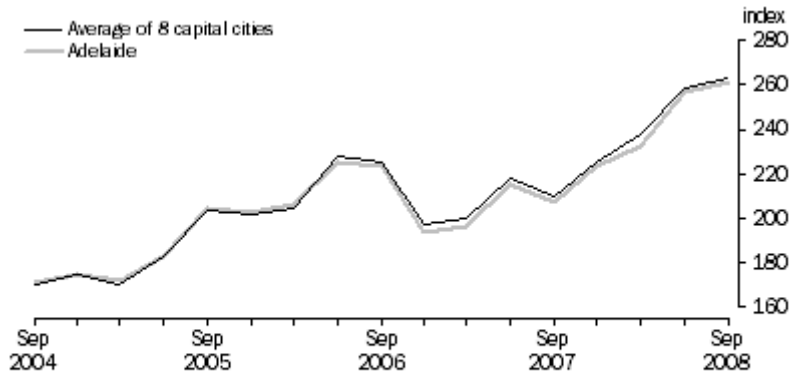
Between the September quarter 2007 and the September quarter 2008, the Automotive fuel class of the Consumer Price Index (CPI) increased 26.0% in Adelaide. This article looks at Household Final Consumption Expenditure (HFCE) of South Australians during this period. The article looks at HFCE on items such as Operation of vehicles, Transport services and Purchase of vehicles and analyses whether there was a change in spending trends on these items during the period of increasing fuel costs.

HFCE measures all current expenditures, particularly purchases of goods and services, by all households and non-profit institutions serving households. For ease of comparison, and to account for population differences and changes, the HFCE data are presented in this article on a per person basis, using the Estimated Resident Population for the relevant period. At the time of writing, the ERP for the September quarter 2008 was not available hence estimates for this quarter were extrapolated using the average of the quarterly percentage changes for the previous sixteen quarters (i.e. September 2004 - June 2008). As shown in this article, total HFCE per person for South Australia increased 1.4% between the September quarter 2007 and the September quarter 2008, compared to a national decrease of 0.1%.

AUTOMOTIVE FUEL PRICE INDEX

In recent years the price that householders pay for automotive fuel has shown periods of sharp rise as a result of international increases in the price of crude oil. The Automotive fuel component of the CPI rose sharply after the March quarter 2005 and again after the September quarter 2007. The first rise peaked in the June quarter 2006 while the second was still evident in the September quarter 2008. Between the September quarter 2007 and the September quarter 2008, the index for Automotive fuel in Adelaide increased by 26.0%, and the increase for the eight capital cities was 25.4%.

CPI: Automotive Fuel Expenditure Class, Original



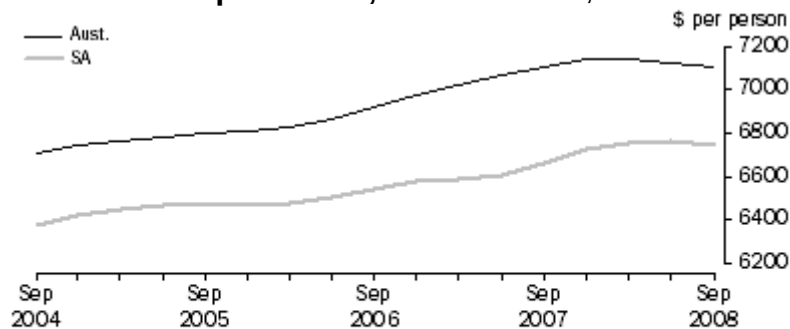
Note: Base of index: 1989-90 = 100.0

Source: Consumer Price index, Australia, Sep 2008, Table 13 (cat. no. 6401.0)

HOUSEHOLD FINAL CONSUMPTION EXPENDITURE

Per person HFCE increased steadily in both Australia and South Australia to the end of 2007. After peaking in the March quarter 2008, Australian per capita HFCE has fallen 0.6% (in chain volume trend terms) resulting in the estimate for the September quarter 2008 being 0.1% lower than the level of the September quarter 2007. While per capita HFCE in South Australia has also started to decline, the estimate for the September quarter 2008 remains 1.4% above the level of the September quarter 2007.

Per Capita HFCE, Chain Volume, Trend



Note: Reference year for chain volume measures is 2006-07.

Source: Australian National Accounts: National Income, Expenditure and Product, Sep 2008, Tables 8 and 25 (cat. no. 5206.0)

Australian Demographic Statistics, June 2008, Table 4 (cat. no. 3101.0)

As noted above, the South Australian and Australian trends in total HFCE per person evolved differently after the September quarter 2007 and into the September quarter 2008. The main contributors to this difference can be identified in the following table. Of particular interest in the context of increasing automotive fuel prices are the expenses related to transport and vehicles.

Change in per capita HFCE, Sept qtr 2007-Sept qtr 2008, Chain volume, Trend

Expense category	South Australia %	Australia %
Food	-3.0	0.5
Cigarettes and tobacco	-19.6	-2.1
Alcoholic beverages	-1.6	-0.6
Clothing and footwear	-0.3	-0.7
Rent and other dwelling services	1.3	0.7

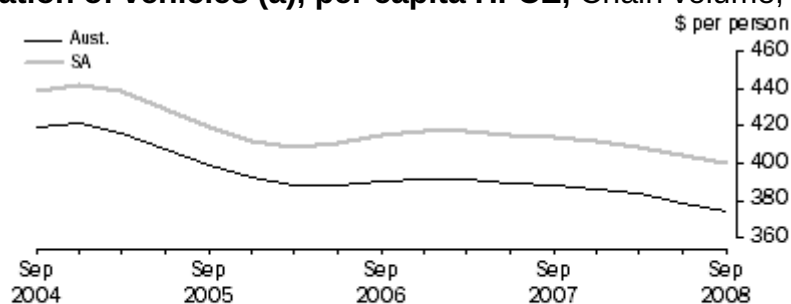
Electricity, gas and other fuel	0.8	2.5
Furnishings and household equipment	5.3	1.0
Health	10.5	2.7
Purchase of vehicles	6.0	-6.2
Operation of vehicles	-3.2	-3.5
Transport services	-7.0	-0.6
Communications	4.4	3.9
Recreation and culture	2.8	0.4
Education services	4.3	0.6
Hotels, cafes and restaurants	3.4	-2.5
Insurance and other financial services	1.0	1.1
Other goods and services	6.4	-0.5
HOUSEHOLD FINAL CONSUMPTION EXPENDITURE	1.4	-0.1

Source: Australian National Accounts: National Income, Expenditure and Product, Sep 2008, Tables 8 and 25 (cat. no. 5206.0) Australian Demographic Statistics, June 2008, Table 4 (cat. no. 3101.0)

Operation of vehicles

South Australia and Australia showed similar trends in spending on Operation of vehicles per capita, during the period from the September quarter 2007 to the September quarter 2008, when South Australians' expenditure decreased by 3.2% and Australians' expenditure decreased by 3.5%. A decrease in the per capita HFCE on Operation of vehicles during a period of significant increases in fuel costs suggests that people were using their vehicles less during this period.

Operation of vehicles (a), per capita HFCE, Chain volume, Trend



(a) Includes purchase of fuel

Note: Reference year for chain volume measures is 2006-07.

Source: Australian National Accounts: National Income, Expenditure and Product, Sep 2008, Tables 8 and 25 (cat. no. 5206.0)
Australian Demographic Statistics, June 2008, Table 4 (cat. no. 3101.0)

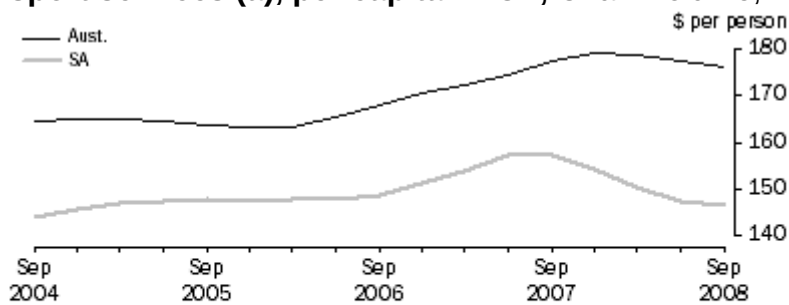
Transport services

The Transport services HFCE expense category relates to fare-paying passenger transport services (e.g. trains, buses, aircraft). After a period of increasing HFCE per capita on Transport services between the September quarter 2006 and the June quarter 2007, South Australian HFCE per capita on these services declined after the September quarter 2007. Between the September quarter 2007 and the September quarter 2008, South Australian HFCE per capita on Transport services decreased by 7.0%, while nationally there was a decrease of 0.6%.

Although South Australians decreased their per capita spending on Transport services after the September quarter 2007, HFCE on the Operation of vehicles showed no upward trend

during this period (see above) as might be expected if public transport was abandoned for private vehicle transportation.

Transport services (a), per capita HFCE, Chain volume, Trend



(a) Fare-paying passenger transport

Note: Reference year for chain volume measures is 2006-07.

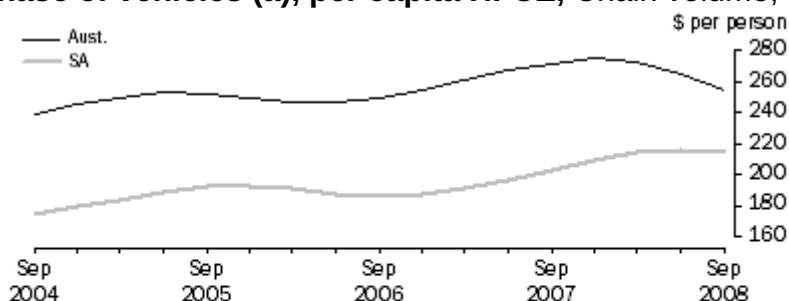
Source: Australian National Accounts: National Income, Expenditure and Product, Sep 2008, Tables 8 and 25 (cat. no. 5206.0)

Australian Demographic Statistics, June 2008, Table 4 (cat. no. 3101.0)

Purchase of vehicles

South Australia and Australia showed similar trends in spending per capita on the Purchase of vehicles until the end of 2007. Following its peak in the December quarter 2007, Australian per capita HFCE on the Purchase of vehicles has been in decline and as a result the estimate for the September quarter 2008 is 6.2% below the estimate for the September quarter 2007. Conversely, South Australian per capita expenditure on the Purchase of vehicles increased 6.0% over the same period.

Purchase of vehicles (a), per capita HFCE, Chain volume, Trend



(a) Includes purchases of new and secondhand vehicles.

Note: Reference year for chain volume measures is 2006-07.

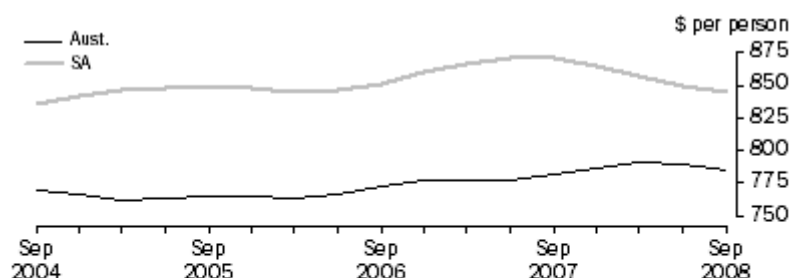
Source: Australian National Accounts: National Income, Expenditure and Product, Sep 2008, Tables 8 and 25 (cat. no. 5206.0)

Australian Demographic Statistics, June 2008, Table 4 (cat. no. 3101.0)

Food

During the period of increasing fuel costs between the September quarter 2007 and the September quarter 2008, HFCE on Food decreased more in South Australia than in Australia. Expenditure on Food in South Australia decreased from \$870 per person to \$845 per person (a fall of 3.0% over this period). Nationally, however, despite declines in the latest two quarters, expenditure in this category has increased from \$781 per person in the September quarter 2007 to \$785 per person in the September quarter 2008; an increase of 0.1%.

Food (a), per capita HFCE, Chain volume, Trend



(a) Food eaten in hotels, cafes and restaurants is included with the expense category Hotels, cafes and restaurants (see below).

Note: Reference year for chain volume measures is 2006-07.

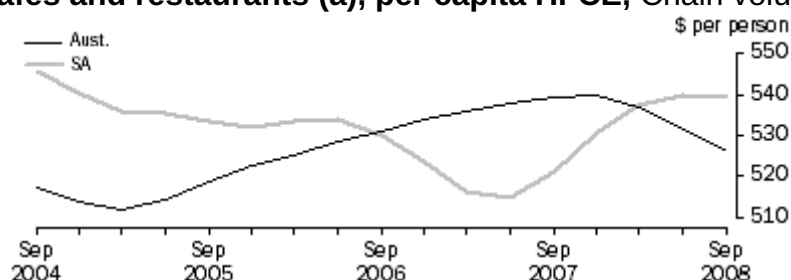
Source: Australian National Accounts: National Income, Expenditure and Product, Sep 2008, Tables 8 and 25 (cat. no. 5206.0)

Australian Demographic Statistics, June 2008, Table 4 (cat. no. 3101.0)

Hotels, cafes and restaurants

For the Hotels, cafes and restaurants category, which includes personal outlays on meals and beverages at catering establishments, South Australia HFCE per person increased by 3.4%, (\$521 per person to \$539 per person) from the September quarter 2007 to the September quarter 2008, while for Australia there was a 2.5% decrease (\$539 per person to \$526 per person).

Hotels, cafes and restaurants (a), per capita HFCE, Chain volume, Trend



(a) Includes food and alcoholic drink catering (on-premises) and accommodation. Gambling is not included.

Note: Reference year for chain volume measures is 2006-07.

Source: Australian National Accounts: National Income, Expenditure and Product, Sep 2008, Tables 8 and 25 (cat. no. 5206.0)

Australian Demographic Statistics, June 2008, Table 4 (cat. no. 3101.0)

Other expense categories

The Health and the Other goods and services expense categories showed quite marked differences between South Australia and Australia for the percentage HFCE per person changes between the September quarter 2007 and the September quarter 2008. However, these categories include the current expenditures of non-profit institutions serving households, such as ambulance services, non-profit hospitals and nursing homes, home nursing services in the Health category and charities, churches, conservation groups, trades unions and professional associations for the Other goods and services category. Thus it is not possible to ascribe changes in the spending behaviour of households as significant contributors to the changes measured for these categories.

SUMMARY

The Automotive Fuel component of the CPI for Adelaide increased by 26.0% between the September quarter 2007 and the September quarter 2008. During the same period, South Australian household final consumption expenditure (in chain volume terms) per person increased by 1.4%, while the corresponding national change was a decrease of 0.1%.

Between the September quarter 2007 and the September quarter 2008, South Australian household final consumption expenditure (in chain volume terms) per person on Purchase of vehicles showed an increase of 6.0%, while this spending category for Australia showed a decrease of 6.2%. Although decreasing expenditure on Transport services during this period, South Australians did not increase their per person spending on Operation of vehicles, as might be expected if they were substituting one mode of travel for the other, but decreased it by 3.2%.

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